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TWELFTH ANNUAL REPORT

OF THE

Maryland Racing Commission

TO

THE GOVERNOR OF MARYLAND

1931

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TWELFTH ANNUAL REPORT

OF THE

Maryland Racing Commission

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MARYLAND RACING COMMISSION

BOARD

JERVIS SPENCER, JR., *Chairman*
EDWIN WARFIELD, JR.
JOHN F. MUDD

STAFF

JAMES F. HAYWARD	*Secretary*
MRS. WM. CHESNUT	*Stenographer*
CARLOS M. DE GARMENDIA	*Judge-at-Large*
HOWARD L. CALLIS	*Auditor*
DOUGLAS C. TURNBULL	*General Inspector*
JOHN P. NIXON	*Inspector*
JOHN E. HUMPHRIES	*Inspector*
CHARLES S. EARLY	*Inspector*

TWELFTH ANNUAL REPORT

OF THE

MARYLAND RACING COMMISSION

To His Excellency, Albert C. Ritchie,
Governor of Maryland.

The Maryland Racing Commission respectfully submits herewith its annual report for the year 1931.

This has not been a very good year in business generally, but the Maryland Race Tracks have done surprisingly well; indeed the attendance at these tracks has been greater this year than last, and several of the half-mile tracks have had the best season that they have ever enjoyed. This has not been generally so with other race tracks throughout the country.

We feel that Maryland racing is giving recreation, enjoyment and remunerative employment to a large number of the residents of the State.

The Charity Days racing given by each Association resulted in turning over to the Citizens' Emergency Relief Committee $125,707.20 from this source.

There is attached hereto an account of the receipts and disbursements of the Commission and an account of the receipts and disbursements of the four (4) licensees of the Commission operating one-mile tracks.

Respectfully submitted,

Jervis Spencer, Jr., *Chairman;*
Edwin Warfield, Jr.,
John F. Mudd.

STATEMENT OF MARYLAND RACING COMMISSION
(For Year 1931)

RECEIPTS

County Fairs, 43 days racing at $50 per day		$2,150.00
Harford Agricultural and Breeders' Asso.:		
24 days racing at $6,000 per day	$144,000.00	
15 per cent of net revenue	41,296.43	
		185,296.43
Maryland State Fair, Inc.:		
24 days racing at $6,000 per day	$144,000.00	
15 per cent of net revenue	26,662.33	
		170,662.33
Maryland Jockey Club of Baltimore City:		
24 days racing at $6,000 per day	$144,000.00	
Account of Baltimore County, $3,000 per day	72,000.00	
15 per cent of net revenue	28,146.65	
		244,146.65
Southern Maryland Agricultural Asso.:		
25 days racing at $6,000 per day	$150,000.00	
15 per cent of net revenue	30,034.86	
		180,034.86
License fees, jockeys and trainers		1,604.00
Registration fees:		
Agents	$50.00	
Assumed names	50.00	
Colors	271.00	
		377.00
Refund from National Surety Co. on bond on James A. Latané, Chairman, resigned on April 15, 1931		106.85
Interest on money on deposit		3,004.50
Reserved from 1930 revenue for 1931 expenses		10,000.00
Total receipts		$797,382.62

STATEMENT OF MARYLAND RACING COMMISSION
(For Year 1931)

DISBURSEMENTS

Commission's salary		$10,000.00
Office salaries		5,546.67
Salaries and expenses of commission's employees for county fairs		995.12
Premiums on chairman's, commissioners' and secretary's bonds		1,658.22
Automobile and train hire		1,595.01
Travel and miscellaneous expense for commission and employees		545.58
Office expense, (miscellaneous)		343.84
Office supplies		65.08
Telephone		92.40
Rent of offices		1,950.00
Refund to county fair, (racing stopped by rain), one day		50.00
Paid to county treasurers		2,100.00
Paid to Citizens' Emergency Relief Committee—one day's racing license fee ($6,000), at Havre de Grace, Pimlico, and Laurel, and two days' racing license fee at Bowie		30,000.00
Paid to Treasurer of Baltimore County:		
June 29, 1931	$36,000.00	
December 29, 1931	36,000.00	
		72,000.00
Paid to Treasurer of State:		
June 29, 1931	$180,674.37	
December 29, 1931	479,766.33	
		660,440.70
Reserved from 1931 income for 1932 expenses		10,000.00
Total disbursements		$797,382.62

HARFORD AGRICULTURAL AND BREEDERS' ASSOCIATION, INCORPORATED

Statement of Income and Surplus for the Year Ended October 31, 1931.

REVENUE

Admissions:		
General	$286,351.50	
Club-house	23,647.50	
Boxes	2,120.00	
Membership dues	2,060.00	
Pari-mutuels:		
Commissions	583,435.55	
Breakage	102,912.40	
Programs—net	13,443.85	
Concessions	11,883.34	
Interest:		
Liberty loan bonds	8,553.22	
Bank balances	691.22	
Leads to post	50.00	
Total		$1,035,148.58

EXPENSES

State license, 23 days at $6,000.00 per day		$138,000.00	
Stakes and purses		305,700.00	
Awards to breeders		2,250.00	
Pari-mutuel expenses:			
Salaries and wages		112,384.68	
Stationery and printing		18,633.24	
Insurance on money		2,150.00	
Cash shortage—net		801.72	
Miscellaneous		1,373.00	
Salaries and wages of racing officials and employees		31,747.66	
Wages of temporary track employees		14,594.80	
Services of detective agency		16,066.97	
Ambulance and hospital service		480.00	
Royalty on starting stalls		1,610.00	
Music and announcing		1,378.84	
Advertising and publicity service		17,008.20	
Officers' salaries, directors' compensation, and legal fees:			
M.H.Fahey:			
Salary as president	$3,000.00		
Compensation as director	1,000.00		
Edward Burke:			
Salary as treasurer	17,500.00		
Compensation as director	1,000.00		
Richard R. Rogers:			
Compensation as director	1,000.00		
Legal fee	2,000.00		
Forward	$25,500.00	$664,179.11	$1,035,148.58

Brought forward	$25,500.00	$664,179.11	$1,035,148.58
Patrick Carroll, director	1,000.00		
E. F. Simms, director	1,000.00		
Court costs and settlement of suit of Greenstein versus the aasociation	161.00		
Total		27,661.00	
Salaries of regular track employees		12,240.00	
Salary of stock transfer clerk		500.00	
Repairs and maintenance		16,220.09	
Tools and supplies		2,464.20	
Team hire		1,892.00	
Heat, light and water		2,276.70	
Taxes, other than Federal tax on income		9,923.88	
Insurance premiums—net		13,030.35	
Rents, including portion paid in advance		7,675.00	
Stationery, printing and postage		4,291.59	
Telephone and telegraph		1,261.48	
Professional services other than legal		1,310.09	
Donation to Havre de Grace Hospital		1,000.00	
Provision for doubtful accounts receivable		95.00	
Miscellaneous		3,325.14	
Total			769,345.63
Net Income for the Year			**$265,802.95**

Net Income for the Year—brought forward		$265,802.95
SURPLUS CREDITS		
Pari-mutuel tickets outstanding applicable to meetings of the fiscal year 1928, credited to surplus	$8,400.70	
Profit on sale of equipment	165.00	
Miscellaneous	105.85	
Total		8,671.55
Gross Surplus for the Year		**$274,474.50**
SURPLUS CHARGES		
Federal tax on income for the preceding calendar year	$25,956.64	
State of Maryland license fee or tax of 15% of net taxable revenue for the preceding year ended October 31	44,714.43	
Provision for depreciation for the preceding calendar year, as determined by the association	29,153.87	
Dividends paid	180,000.00	
Amount paid in settlement of Brown suit	10,000.00	
Total		289,824.94
Deficit for the year		**$15,350.44**

NOTES—No provision is included in the above statement for depreciation of property and Federal tax on income for the ten months ended October 31, 1931, or for license fee or tax of 15% of net taxable revenue for the year ended October 31, 1931, amounting to $41,296.43.

The above statement does not include the net income or the "Charity Day," April 13, 1931, amounting to $27,315.90. Of this amount, $26,167.75 was paid to the Citizens' Emergency Relief Fund prior to October 31, 1931, and the remainder, $1,148.15, appears as a liability on the books of the association.

Statement Showing Computation of Total Net Revenue for the Year Ended October 31, 1931, Taxable by the Maryland Racing Commission

Deficit for the Year		**$15,350.44**
Amounts which were deducted in determining deficit for the year but which are not allowed by the commission in computing net taxable revenue:		
Federal tax on income for the year ended December 31, 1930	$25,956.64	
State of Maryland license fee or tax of 15% of net taxable revenue for the year ended October 31, 1930	44,714.43	
Provision for depreciation for the year ended December 31, 1930, as determined by the association	29,153.87	
Dividends paid	180,000.00	
Donation	1,000.00	
Amount paid in connection with settlement of Brown suit	10,000.00	
Total		290,824.94
Gross Revenue for the Year Ended October 31, 1931, Taxable by the Commission		**$275,474.50**
Deduct—profit on sale of equipment		165.00
Remainder—Net Revenue for the Year Ended October 31, 1931, Taxable by the Commission		**$275,309.50**

NOTE—The amount of $5,709.86 expended for new construction, improvements, and equipment during the year ended October 31, 1931, and charged to the Building Fund, has not been deducted as an item of expense in the determination of net revenue upon which the State license fee or tax of 15% is computed.

CERTIFICATE

MARYLAND RACING COMMISSION:

We have audited the accounts of the Harford Agricultural and Breeders' Association, Incorporated, for the year ended October 31, 1931, and

WE HEREBY CERTIFY, that in our opinion the above statement showing computation of total net revenue for the year ended October 31, 1931, taxable by the Maryland Racing Commission, is correct.

(Signed) HASKINS & SELLS.

Baltimore, November 25, 1931.

MARYLAND STATE FAIR, INCORPORATED

Statement of Income and Surplus for the Year Ended November 1, 1931.

REVENUE

Admissions:		
General	$206,364.00	
Club-house	14,775.00	
Paddock	4,929.50	
Boxes	3,505.00	
Membership dues	5,875.00	
Pari-mutuels:		
Commissions	493,967.70	
Breakage	85,658.25	
Programs—net	12,987.12	
Concessions	14,250.00	
Interest:		
Notes receivable	4,202.74	
Bank balances	3,553.46	
Rent	195.00	
Leads to post	60.00	
Miscellaneous	700.00	
Total		$851,022.77

EXPENSES

State license, 23 days at $6.000.00 per day	$138,000.00	
Stakes and purses	314,500.00	
Awards to breeders	1,750.00	
Pari-mutuel expenses:		
Salaries and wages	75,182.00	
Stationery and printing	9,979.10	
Insurance on money	1,448.72	
Cash shortage—net	384.50	
Miscellaneous	100.00	
Salaries and wages of racing officials and employees	36,468.50	
Services of detective agency	2,000.00	
Ambulance service	276.00	
Royalty for use of starting stalls	1,725.00	
Music	2,415.00	
Advertising and publicity service	6,241.31	
Forward	$590,470.13	$851,022.77

Brought forward		$590,470.13	$851,022.77
Officers' salaries and director's compensation:			
Salaries:			
A. J. Cummings, president	$10,000.00		
M. J. Winn, vice-president	5,000.00		
F. J. Brady, treasurer	10,000.00		
Compensation as director:			
James Butler	2,500.00		
Total		27,500.00	
Office salaries		2,153.00	
Wages of track employees (including wages for maintenance and repairs)		15,185.86	
Repairs and maintenance of property—materials		3,232.16	
Automobile expenses		575.26	
Water, heat, and light		1,404.23	
Taxes—other than Federal tax on income		12,659.86	
Insurance premiums		8,883.50	
Office rent—New York		3,000.00	
Stationery and printing		2,758.14	
Telephone and telegraph—net		551.54	
Professional accounting services		907.42	
Donations:			
Reverend Joseph A. Meyer	$2,000.00		
The Howard County Public Health Association, Incorporated	250.00		
Total		2,250.00	
Provision for doubtful accounts receivable from horsemen		715.00	
Miscellaneous		2,763.27	
Total			675,009.37
Net Income for the Year			**$176,013.40**

Net Income for the Year—brought forward		$176,013.40

SURPLUS CREDITS

Pari-mutuel tickets outstanding applicable to meeting of the year 1928, credited to surplus	$7,245.45	
Excess provision for awards to breeders applicable to prior years	500.00	
Total		7,745.45
Gross Surplus for the Year		$183,758.85

SURPLUS CHARGES

Federal tax on income for the preceding calendar year	$12,033.42	
Additional Federal tax on income for the year 1927, including interest	5,480.81	
License fee or tax of 15% of net taxable revenue for the preceding year ended November 1	29,572.58	
Provision for depreciation for the preceding calendar year, determined by the company	47,925.01	
Dividends paid	100,000.00	
Payment of pari-mutuel ticket applicable to meeting of 1919	7.25	
Total		195,019.07
Deficit for the Year		$11,260.22

NOTES—No provision is included in the above statement for depreciation of property, and Federal tax on income for the period from January 1, to November 1, 1931, or for license fee or tax of 15% of net taxable revenue for the year ended November 1, 1931, amounting to $26,662.33.

The above statement does not include the net income of the "Charity Day," October 5, 1931, amounting to $13,641.97.

Statement Showing Computation of Total Net Revenue for the Year Ended November 1, 1931, Taxable by the Maryland Racing Commission.

Deficit for the Year		**$11,260.22**
Add cost of new construction and equipment during the year (this amount is allowed by the commission as a deduction in computing net taxable revenue inasmuch as there is no surplus in current building fund)		8,260.00
Total		$19,520.22
Amounts which were deducted in determining deficit for the year, but which are not allowed by the commission in computing net taxable revenue:		
Federal tax on income for the year ended December 31, 1930	$12,033.42	
Additional Federal tax on income for the year 1927, including interest	5,480.81	
State of Maryland license fee or tax of 15% of net taxable revenue for the period from November 1, 1929, to November 1, 1930	29,572.58	
Provision for depreciation for the year ended December 31, 1930, as determined by the company	47,925.01	
Donations	2,250.00	
Dividends paid	100,000.00	
Redemption of pari-mutuel ticket applicable to meeting of 1919	7.25	
Total		197,269.07
Net Revenue for the Year Ended November 1, 1931, Taxable by the Maryland Racing Commission		**$177,748.85**

CERTIFICATE

MARYLAND RACING COMMISSION:

We have audited the accounts of the Maryland State Fair, Incorporated, for the year ended November 1, 1931, and

WE HEREBY CERTIFY, that in our opinion the above statement showing computation of total net revenue for the year ended November 1, 1931, taxable by the Maryland Racing Commission, is correct.

(Signed) HASKINS & SELLS.

Baltimore, December 10, 1931.

THE MARYLAND JOCKEY CLUB OF BALTIMORE CITY

Statement of Income and Surplus for the Year Ended November 30, 1931.

REVENUE

Admissions:		
General		$349,122.00
Club-house		21,514.50
Paddock		6,934.00
Boxes		11,957.38
Membership dues and initiation fees		28,140.00
Pari-mutuels:		
Commissions		661,636.95
Breakage		103,591.00
Programs—net		18,790.10
Concessions		1,840.00
Profit from operation of catering service—net		8,713.56
Interest on bank balances		2,348.30
Rent		6,096.82
Leads to post		70.00
Miscellaneous		517.00
Total		$1,221,271.61

EXPENSES

State license, 23 days at $6.000.00 per day		$138,000.00	
Baltimore County license, 23 days at $3,000.00 per day		69,000.00	
Stakes and purses		389,100.00	
Awards to trainers		8,050.00	
Awards to breeders		3,500.00	
Pari-mutuel expenses:			
Salaries and wages		102,722.44	
Stationery and printing		19,537.99	
Insurance on money		1,213.00	
Cash shortage—net		416.65	
Rent of odds and results board		13,700.00	
Salaries and wages of racing officials and employees		59,363.63	
Services of detective agency		2,223.20	
Ambulance service		345.00	
Music and announcing		4,211.00	
Advertising and publicity service		6,668.43	
Officers' salaries, directors' compensation, and legal fees, etc.:			
C. E. McLane:			
Salary as president	$7,500.00		
Compensation as director	150.00		
R. J. Walden:			
Salary as vice-president	2,499.96		
Compensation as director	150.00		
Expenses	5.00		
Forward	$10,304.96	$818,051.34	$1,221,271.61

Brought forward	$10,304.96	$818,051.34	$1,221,271.61
F. G. Riggs:			
Salary as treasurer	7,500.00		
Compensation as director	150.00		
M. L. Daiger:			
Salary as secretary	5,000.04		
Compensation as director	150.00		
F. J. Bryan:			
Compensation as director	150.00		
Expenses	16.40		
D. S. Gittings, director	150.00		
Cary T. Grayson, director	100.00		
S. S. Janney:			
Legal fee	1,750.00		
Compensation as director	150.00		
Lawrason Riggs, director	150.00		
A. H. Morris:			
Compensation as director	150.00		
Expenses	16.40		
Ral Parr, director	50.00		
Isaac Lobe Straus, legal fee	3,000.00		
Total		28,787.80	
Office salaries		6,040.08	
Rent of track property, including amortization of cost of renewing lease		28,100.00	
Provision for amortization of improvements to leased property		39,306.21	
Wages of regular track employees		23,696.10	
Repairs and maintenance of property		57,819.32	
Tools and supplies		1,483.18	
Auto hire		1,339.10	
Water, heat, and light		3,736.18	
Taxes—other than Federal tax on income		22,130.19	
Insurance premiums		24,044.32	
Office rent		2,268.00	
Stationery and printing		6,238.53	
Telephone and telegraph		523.01	
Professional accounting and tax services		1,375.71	
Provision for doubtful accounts receivable from horsemen		54.00	
Interest on loans		382.63	
Miscellaneous		6,022.21	
Total			1,071,397.91
Net Income for the Year			**$149,873.70**

Net Income for the Year—brought forward		$149,873.70
SURPLUS CREDIT		
Pari-mutuel tickets outstanding applicable to meetings of the year 1928, credited to surplus		8,403.30
Gross Surplus for the Year		**$158,277.00**
SURPLUS CHARGES		
Federal tax on income for the preceding year ended November 30	$6,869.73	
Additional Federal tax on income for the year ended November 30, 1929, including interest	90.01	
State of Maryland license fee or tax of 15% of net taxable revenue for the preceding year ended November 30	22,932.25	
Dividends paid	158,900.00	
Total		188,791.99
Deficit for the Year		**$30,514.99**

NOTES—No provision is included in the above statement for depreciation of buildings and miscellaneous property, Federal tax on income for the year ended November 30, 1931, or for license fee or tax of 15% of net taxable revenue for the year ended that date, amounting to $28,146.65.

The above statement does not include the net income of the "Charity Day," April 27, 1931, amounting to $17,416.92.

Statement Showing Computation of Total Net Revenue for the Year Ended November 30, 1931, Taxable by the Maryland Racing Commission

Deficit for the Year		**$30,514.99**
Add cost of new construction and equipment during the year (this amount is allowed by the commission as a deduction in computing net taxable revenue, inasmuch as there is no surplus in current building fund)		10,321.49
Total		$40,836.48
Amounts which were deducted in determining deficit for the year, but which are not allowed by the commission in computing net taxable revenue:		
Federal tax on income for the year ended November 30, 1930	$6,869.73	
Additional Federal tax on income for the year ended November 30, 1929, including interest	90.01	
State of Maryland license fee or tax of 15% of net taxable revenue for the year ended November 30, 1930	22,932.25	
Provision for amortization of improvements to leased property for the year ended November 30, 1931	39,306.21	
Dividends paid	158,900.00	
Interest on loans	382.63	
Total		228,480.83
Net Revenue for the Year Ended November 30, 1931, Taxable by the Maryland Racing Commission		**$187,644.35**

CERTIFICATE

MARYLAND RACING COMMISSION:

We have audited the accounts of The Maryland Jockey Club of Baltimore City for the year ended November 30, 1931, and

WE HEREBY CERTIFY, that in our opinion the above statement showing computation of total net revenue for the year ended November 30, 1931, taxable by the Maryland Racing Commission, is correct.

(Signed) HASKINS & SELLS.

Baltimore, December 21, 1931.

SOUTHERN MARYLAND AGRICULTURAL ASSOCIATION

Statement of Income and Surplus for the Year Ended December 6, 1931.

REVENUE

Admissions:		
General	$216,850.50	
Club-house—net	10,782.50	
Paddock	4,530.50	
Boxes	5,488.50	
Pari-mutuels:		
Commissions	522,589.65	
Breakage	79,648.90	
Programs—net	12,245.90	
Concessions	10,846.75	
Leads to post	70.00	
Interest on bank balances	2,356.06	
Miscellaneous	200.00	
Total		$865,609.26

EXPENSES

State license, 23 days at $6,000.00 per day		$138,000.00	
Stakes and purses		271,100.00	
Awards to breeders		2,750.00	
Pari-mutuel expenses:			
Salaries and wages		95,859.00	
Stationery and printing		13,009.90	
Insurance on money		389.13	
Cash shortage—net		146.70	
Miscellaneous		1,954.38	
Salaries and wages of racing officials and employees		52,929.03	
Detective services		3,284.20	
Ambulance service		110.00	
Royalty for use of starting stalls		900.00	
Music and announcing		699.15	
Advertising and publicity service		7,631.33	
Officers' salaries, directors' compensation, and legal fees:			
M. H. Magruder, president:			
Salary	$5,000.00		
Compensation as counsel	4,000.00		
Compensation as director	500.00		
Wm. G. Brooke, secretary:			
Salary	2,500.00		
Compensation as director	500.00		
Forward	$12,500.00	$588,762.82	$865,609.26

Brought forward	$12,500.00	$588,762.82	$865,609.26
John Farrell, Jr., treasurer:			
Salary (one-half year)	3,750.00		
Thomas K. Lynch, treasurer and assistant manager:			
Salary (elected May 6, 1931)	4,375.00		
Joseph A. Farrell, general manager:			
Salary (one-half year)	3,750.00		
Joseph B. Boyle, general manager:			
Salary (elected May 6, 1931)	4,375.00		
Frank M. Hall:			
Compensation as director	500.00		
Compensation for signing checks during the fall, 1931, meet	300.00		
C. Carter Hall:			
Compensation as director	500.00		
Cancellation of loan receivable	500.00		
Compensation as director:			
R. Lee Mulliken	500.00		
Dr. Guy W. Latimer	500.00		
George N. Palmer	500.00		
William S. Ryon	500.00		
Claude H. Owens	500.00		
Ellis O. Middleton	500.00		
James B. Berry	500.00		
S. Gardiner Coale	500.00		
Chas. S. Early	500.00		
Thomas N. Magruder	500.00		
J. Chew Sheriff	500.00		
George S. Dove	500.00		
Dr. Harry Nalley	500.00		
W. Booth Bowie	500.00		
Oliver S. Metzerott	500.00		
Frank Small, Jr.	500.00		
John W. Ryon	500.00		
Total		39,050.00	
Office salaries		4,236.00	
Wages paid to regular track employees		16,606.75	
Repairs and maintenance		3,170.74	
Light, heat, etc.		2,062.49	
Taxes—other than Federal tax on income		10,857.44	
Insurance premiums		8,661.07	
Rent of offices		1,662.00	
Stationery and printing		1,867.84	
Telephone and telegraph		570.98	
Professional accounting services		1,418.92	
Interest on loans		713.89	
Forward		$679,640.94	$865,609.26

Brought forward		$679,640.94	$865,609.26
Donations:			
Captain H. R. Atkinson—police fund	$25.00		
Reverend Geo. H. Gore—Kiddie-Keep-Well-Kitchen	10.00		
Bowie Fire Association	100.00		
Glendale Fire Association	100.00		
Prince George's County Fire Association	200.00		
Total		435.00	
Miscellaneous		5,592.92	
Total			685,668.86
Net Income for the Year			**$179,940.40**

SURPLUS CREDITS

Pari-mutuel tickets outstanding applicable to meetings of the year 1928, credited to surplus	$6,730.25	
Outstanding checks returned to cash	1,165.00	
Proceeds of insurance on fully depreciated property destroyed by fire	6,600.00	
Recovery of accounts receivable previously written off—net	12.50	
Property improvements donated to the association	2,185.34	
Total		16,693.00
Gross Surplus for the Year		**$196,633.49**

SURPLUS CHARGES

Federal tax on income for the preceding calendar year	$13,205.54	
State of Maryland license fee or tax of 15% of net taxable revenue for the preceding year ended December 6	30,994.47	
Provision for depreciation for the preceding calendar year (as determined by the association)	45,966.15	
Dividends paid	121,080.00	
Total		211,246.16
Deficit for the Year		**$14,612.67**

NOTES—No provision is included in the above statement for depreciation of property and Federal tax on income for the period from January 1 to December 6, 1931, or for State license fee or tax of 15% of net taxable revenue for the year ended December 6, 1931, amounting to $30,034.86.

The above statement does not include the net income of the "Charity Days," March 30, 1931, and November 30, 1931, aggregating $34,332.41. Of this amount $12,681.44 was paid to the Citizens' Emergency Relief Fund prior to December 6, 1931, and the remainder, $21,650.97, appears as a liability on the books of the association.

Statement Showing Computation of Total Net Revenue for the Year Ended December 6, 1931, Taxable by the Maryland Racing Commission

Deficit for the Year		$14,612.67
Amounts which were deducted in determining deficit for the year, but which are not allowed by the commission in computing net taxable revenue:		
Federal tax on income for the year ended December 31, 1930	$13,205.54	
State of Maryland license fee or tax of 15% of net taxable revenue for the year ended December 6, 1930	30,994.47	
Provision for depreciation for the year ended December 31, 1930, as determined by the association	45,966.15	
Dividends paid	121,080.00	
Excess of officers' salaries, directors' compensation, and legal fees paid over amount allowed therefor by the commission	9,050.00	
Donations	435.00	
Interest on loans	713.89	
Total		221,445.05
Gross Revenue for the Year Ended December 6, 1931, Taxable by the Maryland Racing Commission		$206,832.38
Deduct—proceeds of insurance on fully depreciated property destroyed by fire		6,600.00
Remainder—Net Revenue for the Year Ended December 6, 1931, Taxable by the Maryland Racing Commission		$200,232.38

NOTE—The amount of $16,347.72 expended for new construction, improvements, and equipment during the year ended December 6, 1931, and charged to building fund has not been deducted as an item of expense in the determination of net revenue upon which the State license fee or tax of 15% is computed.

CERTIFICATE

MARYLAND RACING COMMISSION:

We have audited the accounts of the Southern Maryland Agricultural Association for the year ended December 6, 1931, and

WE HEREBY CERTIFY, that in our opinion the above statement showing computation of total net revenue for the year ended December 6, 1931, taxable by the Maryland Racing Commission, is correct.

(Signed) HASKINS & SELLS.

Baltimore, December 23, 1931.